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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

20 January 1982

MEMORANDUM FOR: Director of Central Intelligence

FROM

: Richard Lehman, Vice Chairman National Intelligence Council

SUBJECT

: Worldwide Briefing Text

- 1. Attachment 1 contains the responses to your request of 15 January. (Attachment 2 is the 15 January request.) Given your guidance at yesterday's staff meeting, we have not attempted to weave these into a continuous narrative, but are prepared to do so if you wish.
- 2. The responsible NIOs are preparing their own presentations, as you also requested, and we expect to have their talking points in hand Thursday. At that point we can either send them to you for review or you can schedule a rehearsal if you wish.
- 3. We are not at present planning any graphics for your presentation, but the NIOs plan to use some in theirs.

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Richard Lehman	

Attachments (as stated)

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SUBJECT: Worldwide Briefing Text (DDI #458-82)

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DCI Congressional Briefing

Soviet Strategic Nuclear Capabilities

- 1. The Soviets have already achieved strategic nuclear capabilities widely perceived to be at least equal to those of the United States. During the past year they further improved the striking power of their offensive forces and made progress in overcoming some of the weaknesses in their strategic defenses. Moreover, they have development and deployment programs underway to further improve their capability to fight a general nuclear war, including a protracted conflict, and to increase their prospects of emerging the victor over any combination of adversaries. To this end they are seeking strategic forces and supporting systems that would enable them, along with other forces, to neutralize US offensive systems, survive a US nuclear attack, limit damage to the USSR and permit attainment of Soviet military objectives in Eurasia.
- 2. Trends of the recent past show improved Soviet capabilities to carry out some of these missions. For example, their present command and control systems, their offensive forces and their civil defenses—would probably be adequate to conduct global nuclear conflict according to Soviet strategy. However, their current strategic defenses would probably be unable significantly to limit damage to the USSR from a large scale US nuclear attack. We have major uncertainties about the potential of the USSR's future forces to conduct the missions envisioned by Soviet strategy. Modernization of US strategic forces as now proposed will increase the Soviets' uncertainties about being able to perform some strategic missions. There is a continuing threat, however, that the Soviets' massive research efforts in advanced technologies, particularly in directed energy and space technologies, coud result in a breakthrough that would give them a major strategic advantage over the United States.

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Soviet Ballistic Missile Defense

- 3. For example, there has been no slackening in Soviet efforts of the past 20 years to acquire ballistic missile defenses based on conventional and advanced technologies.
 - --The Soviets are improving the defenses at Moscow, they are contructing new large radars and they are conducting ABM system development that will give them options to deploy more widespread missile defenses in the 1980s.
 - --They are working on a ground based laser weapon and are conducting research on a spaced based laser that could be applied to ballistic missile defense in the 1990s.

Widespread deployment by the Soviets of a conventional or an advanced ballistic missile defense, even if it might potentially be overcome by an attacking force, could create serious uncertainties about the credibility of the US nuclear deterrent.

Soviet Space Program

4. The magnitude of the Soviets space research and development programs and the vast array of space systems they have deployed, give ominous indications of future Soviet military applications in space. In addition to the use of space for communications and intelligence collection, the Soviets have the potential in the 1980s and 1990s to develop and deploy

- --Permanent, manned, military space stations.
- --Systems for real time or near real time surveillance of land, sea and air mobile weapon platforms.
- --Weapon systems that incorporate potential advances in directed energy technologies.

The trend in the 1980s will be toward increased dependence by both the US and USSR on space systems to perform military functions in peacetime, crisis and conflict that cannot be performed by non-space systems. We therefore expect the Soviets to seek the means to dominate space during a conflict in order to achieve their military and political objectives.

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The Warsaw Pact

The Pact has historically outnumbered NATO, but force improvements over the past few years have widened the numerical disparity and have eroded NATO's long-standing qualitative lead as well. Most of the recent improvements have been to Soviet forces, however, and Moscow's East European allies—about half of the initially available Pact forces—are falling behind in the qualitative race. Although the East Europeans receive token quantities of new Soviet equipment, much of their forces are approaching obsolescence.

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The Soviet Union would depend heavily on its Warsaw Pact allies at least in the early stages of a war with NATO, and military considerations had much to do with its demands for the imposition of martial law in Poland. Poland provides substantial combat forces to the Pact and controls critical lines of communications between Moscow's forward based forces and their primary reinforcement base. The Soviets are likely to be more reluctant than ever to initiate any actions which could lead to a military encounter with NATO until their interests in Poland are fully secured.

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Soviet Power Projection

The Soviets have continued to improve their forces for power projection over the past year. Nevertheless, their ability to project military power beyond their borders still varies sharply with the distance to the objective. For operations in contiguous areas where they can make maximum use of their ground force strength, such as southwest Asia, the Soviets have considerable military potential. In the military districts opposite Iran, for example, they maintain 23 divisions. They have made some limited improvements to units there over the past year as part of forces-wide modernization efforts, but most of these divisions remain at reduced readiness levels. We know that the S viets have exercise scenarios calling for the introduction of large Soviet forces into Iran and estimate that within a month or so they could prepare a force of 10-20 divisions for operations there. We, therefore, monitor this area closely even though Soviet military action against Iran seems unlikely at present.

The Soviets have the world's largest airborne and airmobile forces, but Moscow's capability to project and support those forces beyond contiguous areas is limited by geographic factors and shortcomings in their military air transport. The Soviets could airlift an airborne division to the Middle East in a few days, or sealift a motorized rifle division to the region in about two weeks. Operations in the Middle East, however, would be beyond the range of USSR-based tactical airpower. Unless tactical air units were based in or near the intended operational area, the Soviets could conduct military operations only against light opposition.

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INSTABILITY, SUBVERSION, AND INSURGENCY

1. Instability and regional tensions in the Third World will almost certainly continue to grow. Even though their principal sources will remain local, these instabilities and tensions will continue to be exacerbated by the USSR, its friends and allies, and other outsiders. Such external interference will thus in many instances continue to translate local questions to the superpower level and so create problems of much higher significance for the US than would otherwise be the case. At my direction the Intelligence Community has taken specific steps to analyze better the sources of instability and regional tensions in the Third World, the ability of governments there to contain or reduce such crises, and especially the strength and aims of outside forces attempting to exploit such situations. These will continue to be most difficult tasks for US intelligence, because of the (1) continuing high priority which we must accord many other questions of national security, and (2) the inherent problems which exist in assessing the intentions of the world's many political actors, particularly where they exist in highly emotional settings. The entire Intelligence Community needs in particular to match its improved analytic capabilities with much improved collection efforts: on the part, alike, of Embassies, CIA stations, the US military, and NSA. Even with such improvements in collection and analysis, many of the coups, mass uprisings, assassinations of leaders, and the like in the underdeveloped world will continue often to be triggered by seemingly minor events, and we should expect that certain crises will continue to erupt without warning.

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2. Two particular manifestations of such instabilities, revolutionary subversion and insurgency, will continue to be among the most difficult problems facing US intelligence, US interests, and US policy -- especially because such revolutionary action is supported by the USSR and its friends. In most instances subversion and insurrections feed upon quite understandable grievances against local injustice and the like, and many of them would exist even if the USSR did not. But Soviet involvement enormously aggravates and complicates these questions. Since 1917 the Soviets have promoted world-wide subversion and have supported insurgencies in the underdeveloped world, both types of endeavors seeking to undermine the Western positions there. In more recent years Soviet capabilities in these respects have grown, for several major reasons: (1) the Soviet touch has itself become more sophisticated; (2) the Soviets have developed a vast system of assisting subversives and revolutionaries -- in some instances directly, in others indirectly through various surrogates and third parties; (3) Cuba, in particular, has become a second source of support for subversive and insurrectionary activities in Latin America and Africa; and (4) the Soviets have done more to focus many of their support efforts on areas where the US or Western positions are most vulnerable. For such reasons as these the USSR and its friends have become the principal source of external support, for example, to subversion and insurgency in El Salvador, to the strengthening of the Sandinista regime in Nicaragua, and to SWAPO in Namibia. To such ends Third world subversives and insurgents are trained by the USSR, Cuba, South Yemen, various Palestinian entities, and Eastern European governments; and these patrons also provide large quantities of arms and considerable expert advice to them.

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3. For the United States, these problems of subversion and revolutionary insurgency lie near the heart of a general contradiction facing US policy in much of the Third World: how best to defend US interests and support peaceful change where the choices are sometimes between friendly but ineffective regimes on the one hand and, on the other hand, parties that might come to dominate tomorrow's scene but are often hostile to US interests and beholden to Soviet or Soviet proxy support. I can assure you that I am training increasing US intelligence attention on these questions. But this is a tough job indeed for all of us: subversive and revolutionary insurrections in the Third World are products of our historical times, they will continue to plague the US, and they will continue to demand more resource support and the finest skilled response on the part of all of us.

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18 January 1981

MEMORANDUM FOR:	Vice Chairman, NIC	
FROM :	NIO/LA	
SUBJECT :	DCI Worldwide Briefing Two Paragraphs on Central America	
stronger while to mining all the end governments and in the face of the new US admirtional governments and governments and governments.	d with one year ago, the extreme left in Central America is errorism and guerrilla warfare have had a major role in underconomies of the region. At the same time, the threatened their supporting coalitions have maintained workable cohesion he growing pressures both because of their expectation that istration would help prevent communist success and because of al developments and opportunities such as the return to conrament in Honduras, the scheduling of elections for El Salvador atemala (March 1982), and Costa Rica (February 1982)	K1
Bloc and radical tinued the milit to the guerrilla pressure while them—a lowering demoralization at has increased in an effort to dis doubled the estimated of the estimated courage increased in the courage increased in the courage increased in the estimated the estimated the estimated in the estimated the estimated in the estimated the	ragua, the Marxist-Leninist Directorate with Cuban, other Soviet Arab help has virtually consolidated its control, con- ary buildup beginning in 1980, and provided extensive support s in the region. In El Salvador the guerrillas maintain great he government is stretched almost to the limit simply to contain of international support for the government could lead to severe d perhaps defeat. Since mid-December 1981, guerrilla violence El Salvador and Guatemala, and this is likely to continue in rupt the March elections in both countries. CIA recently mated guerrilla strength in Guatemala from about 2,500 to 4,000 to with about 600 in 1978. Cuba is also taking specific steps to used political violence in the democratic countries of Honduras, sembia, and Venezuela.	Κ1
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DDI-353-82 18 January 1982

MEMORANDUM FOR: Richard Lehman

Vice Chairman, National Intelligence Council

FROM:

National Intelligence Officer for Africa

SUBJECT:

World Wide Briefing: Africa

- 1. Africa has continued to suffer over the past year from the twin problems endemic to the vast majority of the African countries, economic scarcity and political instability. Food shortages and the crushing burden of energy costs weaken the economies of every country except South Africa. Together they preclude the raising of living standards which in turn leads to political unrest. The extreme fragility of national political institutions facilitates the overthrow of representative government where it has begun to take root and paves the way for its replacement with authoritarian leadership. The recent coup in Ghana (the latest of a series of coups since independence) is only one of many illustrative examples. Even such a relatively secure regime as Nigeria is not immune to the virus of military takeover.
- This combination of economic and political weakness continues to provide ideal opportunities for Soviet intervention everywhere on the continent. The Soviets have never been able or willing to meet African needs for development aid; instead they have substituted supplies of arms to bolster client regimes and to encourage internal subversion by guerrilla movements. By the end of 1981 a total of almost 12,000 Soviet military and technical advisers were stationed in 30 African countries. Their efforts were supplemented by over 40,000 Cuban troops and advisers and by Libyan funds used for subversion.
- 3. In areas critical to US interests such as Southern Africa, Angola and the Horn we can look forward in 1982 to greater Soviet aid to insurgent groups, and to intensified diplomatic activity designed to destabilize pro-Western regimes and frustrate American initiatives. Such economic and technical aid as the Soviets are disposed to provide will come largely from Eastern European sources.

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18 January 1982

International Terrorism

- 1. Recent events like the kidnapping of General Dozier in Italy and the attack on General Kroesen in West Germany highlight the fact that Americans and American interests are the favorite targets of international terrorists. Since anti-US terrorism has been increasing, I have authorized increased Community focus on the problem during the past year. And even though this is now a priority issue in the Community, we do not yet have sufficient means to anticipate specific terrorist acts against Americans. We know that the threat to Americans is compounded by the numerous links which exist among some terrorists, and by the assertive reactions various Third World leaders and entities have taken to certain US initiatives in several regions of the world. Libya, the Red Army Faction in Germany, the Italian Red Brigades, radical Palestinians, and others are strongly anti-American, have no scruples about using terrorism, and are capable of striking US targets abroad. What is even more alarming is that the potential for such terrorism within the United States has become greater, and combatting it will require considerably enhanced cooperation among US intelligence and security agencies at home and abroad.
- 2. Even though international terrorism springs from disparate conditions and causes, many of them indigenous and without direct connection to things Soviet, the USSR nonetheless bears significant responsibility for some of the anti-US terrorism. The USSR supports both governments (including those of Libya, Cuba, South Yemen, and the East European states) and groups which, in turn, support or conduct terrorism. The Soviets' support for terrorist

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training (particularly in the Middle East), their provision of weapons, their anti-American propaganda campaigns, and their efforts to foster cooperation between terrorist groups all provide a backdrop which in some cases favors anti-American terrorism. We are therefore, undertaking various new_initiatives--in collection, liaison activities, collation, and analysis--aimed at drawing a more accurate picture of the relationships between the Soviets and their clients on the one hand and terrorist groups on the other.

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weaken the US position in the region. We will continue to devote considerable analytical talent to evaluation of the implications of all those potential developments and to any changes in the nature and extent of the Soviet military occupation of Afghanistan.

Despite the presence of 85,000 Soviet troops in Afghanistan the insurgents had considerable success in 1981. By the government's own figures, it controlled only 23 percent of the country at the end of the year. Insurgent attacks on road convoys were effective enough to destroy or damage at least 1000 Soviet armored vehicles, including 450 tanks. The Afghan Army remained ineffective, with little prospect that it can be rebuilt this year. The Babrak government's political efforts to win popular support have accomplished nothing.

In the fall of 1981, the Soviets apparently reassessed and adjusted their Afghan policy. One decision was to send in 5,000 to 10,000 more men-mostly KGB border troops. An augumentation of this size will do little to change the situation, and later this year the Soviets probably will send in additional troops to protect supply lines and important towns. Increased Soviet-sponsored pressure on Pakistan--cross border raids, subversion, and threats-to discourage foreign support for the insurgents is also likely. We have no indications that the Soviets plan to commit enough additional troops--at least a few hundred thousand--to win the war quickly, but such an option might prove attractive, especially if the military situation remains intractable.

The Chinese leadership continues to plan for its own succession.

Although the aging Deng Xiaoping remains preeminent, his economic development policies favoring agricultural and light industry have produced only modest results. Moreover, Deng and his allies must still restore institutions damaged during the Mao era and build support for a reform program that minimizes the role of ideology. Some military leaders and many middle-level bureaucrats have reservations about some of Deng's policies. If a smooth succession to Deng is implemented, Soviet capabilities to expand their influence at China's expense will be minimized; a failed succession, on the other hand, would present the Soviets with tempting opportunities. China-US relations remain heavily influenced by Taiwan. As a result, mutually acceptable management of the Taiwan arms sale issue tops the Chinese-US agenda for 1982.

The military stalemate in Kmapuchea has led to increased political maneuvering among Communist and non-Communist resistances forces and their supporters outside Kampuchea. Although the military balance still favors

Vietnam (180,000) and their Kampuchean puppets (15-20,000), they are unable to consolidate control. Singapore and Thailand are pressing for a loose coalition of Communist and non-Communist resistance forces with the objective of forcing Hanoi to seek a political solution. Both the Soviets and the Chinese also have equities in Vietnam and Indochina. The Soviets keep Vietnam afloat economically by contributing \$2-3M per day and gain the use of facilities in Cam Ranh Bay. The Chinese, for their part, continue to support the resistance forces while occasionally threatening to "teach Vietnam a second lesson" along their common border. These measures are designed to force the Vietnamese out of Kampuchea and the Soviets out of Vietnam, but they are unlikely to succeed.

The Technological Race

Acquisition of goods and technology from the West has made a critical contribution to Soviet military power. While that power rests fundamentally on the large size and diversity of the Soviet economy and its broad technical and scientific base, the Soviet armed forces have benefitted substantially from a determined, sustained Soviet effort to acquire sophisticated technology from the West. Over the years, this effort has yielded significant savings in cost and/or development time as well as enhanced weapons capabilities. Moscow uses a combination of legal and illegal channels to acquire certain products and technologies as part of a highly organized and focused program. For example, Moscow has relied heavily on clandestine imports of Western equipment and technology to systematically build a modern microelectronics industry. This newly acquired capability in microelectronics is a critical basis for large and wide-ranging enhancements in the sophistication of Soviet military systems, including ASW sensors and weapons systems and air defense and ballistic missiles. These Soviet acquisitions also have made it necessary for the United States to undertake the development of a new generation of microelectronic devices to maintain a technological lead in future weapons systems. This development program, called VHSIC (Very-High-Speed Integrated Circuits), will require an initial US investment outlay for

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Trucks produced at the Kama River truck plant, built with massive imports of some \$3 billion worth of Western automotive production equipment and technology, are currently the mainstay of Soviet military units above division level opposite NATO. Kama trucks also are in use by Soviet forces in Afghanistan. Large purchases of numerically-controlled machine tools from Japan and Western Europe may already have benefited some Soviet military manufacturing sectors, particularly the Soviet aircraft industry.

18 January 1982 HF

PROPAGANDA

Here there is room for considerable improvement in operating against the traditional advantages the Soviets have had because of their enormous propaganda and dissemination machineries, their disregard for truth, and the gullibility of many of the audiences at which they aim. I would in particular stress certain aspects of this question: there has been (1) a definite increase in KGB resort to disinformation and forgeries, as part of the broader Soviet program of covert activities; (2) highly organized Soviet-sponsored efforts to capitalize on and aggravate the disquiet many Western Europeans have concerning the possibility of nuclear warfare in Europe; and (3) continuing Soviet emphasis on such questions as the Palestinians and Southern Africa, where ready audiences exist for many of the Soviet propaganda themes. In addition, the US faces continuing difficulty in getting friendly governments and publics to act on the basis of what they \underline{know} to be the truth? or certain world questions, in instances where they think their <u>interests</u> dictate otherwise. For reasons such as these we have had difficulty, for example, in getting adequate responses to the problems of yellow rain in Indochina and Afghanistan, the rapid pace at which SS-20's targeted at Western Europe are being installed, and Soviet and Soviet proxy supply of weapons and training of insurgents in Central America.

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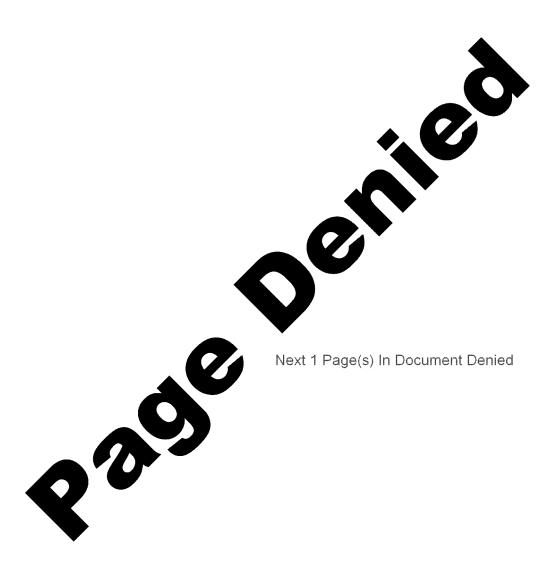
The US response to these problems is largely the domain of entities other than the Intelligence Community: that is, the ICA, the Voice of America, Radio Free Europe, Radio Liberty, and so on. Such groups enjoy credibility abroad for their strict factual presentations to date, but in addition to strengthening these groups' capabilities, there is opportunity for more direct focus by these groups on the many vulnerabilities of Soviet and pro-Soviet groups, and there is more the Intelligence Community can do to supply such overt media with hard factual data about those vulnerabilities. Paralleling this, CIA special activities are also providing an increasingly effective response to Soviet propaganda.

ECONOMIC COMPETITION IN THE FREE WORLD

The increase in foreign industrial competition in recent years has become a very serious concern. This growing competition has affected not only traditionally strong US economic activities such as automobile production, but also threatens the future development of high technology industries important as a major source of export earnings and critical to national defense. Although US domestic industrial policy is outside the scope of CIA concerns, I have directed the start of a research program on various aspects of Western industrial competition which bear on the ability of US industries to compete in US and foreign markets. The program will look at the underlying productive factors in foreign economies, such as labor and capital markets, which shape the competitive position of key industries; will examine industrial strategies employed by various foreign governments with a special emphasis on identifying preferential policies fostering high-technology industries that would put US firms at an unfair competitive disadvantage; and will try to identify industries that may be increasingly subject to foreign competition.

Of equal concern is the impact that increased foreign competition is having on the economic health of the Alliance. The European allies appear to be adjusting even less well than the United States to industrial competition that is hitting them from three sides: from low-cost, unskilled labor in LDC manufacturing industries; from the Newly Industrialized Countries (NICs) in basic, medium-technology industries such as steel and petrochemicals; and from Japan and other Pacific-Rim countries in high-technology industries. The ability of the European allies to adjust to

this competition is being impeded by institutional problems. Among the consequences of inadequate adjustment are not only rising unemployment and slow growth but also a lessened willingness to entertain any substantial cuts in trade with the East or other major US initiatives on East-West technology transfer. Rising protectionist sentiments may also tend to make our major trading partners less willing to accept proposals to expand the scope of the international trade system into the service sector.



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2.	The threat to the strategic equation from ABM- / and military use of space.	
3.	The Warsaw Pact threat.	STAT
4.	Soviet power projection with particular focus > on Iran.	
5.	Military sales to and relationships with Third World countries.	
6.	Insurgency and subversion.	
7.	Instability and destabilization.	STAT
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